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Federal Communications Commission
Office of Secretary

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Implementation of the Subscriber Carrier Selection Changes Provisions Of the Telecommunications Act of 1996 Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers	)))))))))	CC Docket No. 94-129

COMMENTS OF THE RURAL LOCAL EXCHANGE CARRIERS

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July 29, 2003

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SUMMARY

"In general, there must be a 'reasonable fit' between the regulation and the objective, and the fit represents not necessarily the single best disposition but one whose scope is in proportion to the interest served." So said the Commission in the Third Order on Reconsideration in this proceeding. The Commission's decision to require LECs to verify customer in-bound calls requesting carrier changes does not meet the Commission's own test of proportionality, as it imposes an undue burden on small LECs, who have not engaged in slamming, for the stated purpose of preventing slamming.

The new verification requirement is procedurally defective because it removes an exemption from the FCC's verification requirements for in-bound calls to LECs, and modifies the FCC's definition of "submitting carrier" without notice and opportunity for comment, as required by the Administrative Procedures Act. The decision also fails to consider the enormous burden that the LEC verification requirement will impose on small LECs. In that regard, the Commission's Regulatory Flexibility Act analysis falls short of the statutory requirement, specifically in its failure to analyze less drastic alternatives, such as an exemption for small LECs.

The Commission's "Clarification Order," which apparently limits application of the verification requirement to requests by LEC customers to change their long-distance carrier to the LEC's affiliate does not mitigate the lack of justification for the requirement or its procedural defects. Moreover, by singling out changes to LEC affiliates, the

Commission exacerbates the anti-competitive effect that the requirement will have on small LECs, because the additional delay is likely to discourage customers from choosing small LECs' affiliated IXCs.

For these reasons, Rural LECs urge the Commission to grant the Petition for Reconsideration filed by the Rural ILECs and reverse the Commission's decision to lift the exemption from LEC verification of in-bond customer calls requesting carrier changes.

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COMMENTS OF THE RURAL LOCAL EXCHANGE CARRIERS

The Rural Local Exchange Carriers ("Rural LECs"),[1] by counsel, and pursuant to Section 1.429(f) of the Federal Communications Commission's rules and regulations, hereby submit their comments in support of the Petition for Reconsideration of the Commission's Third Order on Reconsideration (hereafter, "Third Order") in the above-referenced proceeding[2] filed by Rural Independent Local Exchange Carriers ("Rural ILECs" or "Petitioner").[3] The Rural ILECs seek reversal of the Commission's decision to require local exchange carriers ("LECs") to verify in-bound customer calls requesting a carrier change.

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[1]The Rural LECs consist of: Ben Lomand Rural Telephone Cooperative, Inc., Chibardun Telephone Cooperative, Inc., Delta & Franklin, Horry Telephone Cooperative, Inc., La Harpe telephone Company, MITS, New Paris Telephone, Inc., Stayton Cooperative Telephone Company, North Central Telephone Cooperative, Tularosa, Denver and Ephrata Telephone and Telegraph Company d/b/a D&E Communications, Conestoga Telephone and Telegraph Company d/b/a/ D&E Communications, and Buffallo Valley Telephone Company d/b/a/ D&E Communications.

[2] *Implementation of Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Unauthorized Changes of Customers' Long Distance Carriers*, CC Docket No. 94-129, Third Order on Reconsideration and Second Notice of Proposed Rulemaking, FCC 03-42 (rel. March 17, 2003)("Third Order").

[3] Public Notice of Petitions for Reconsideration, Report No. 2616, released July 7, 2003, 68 Fed. Reg. 41577-78 (rel. July 14, 2003). Rural ILECs filed a "Supplement to Petition for Reconsideration" on May 30, 2003.

The Commission's decision, *sua sponte*, and without prior notice, to reverse a prior ruling and require LECs to verify in-bound customer calls requesting a carrier change was not supported by record evidence, and is extremely burdensome to small, rural LECs. Moreover, the Commission failed to assess the burdensome impact of the new requirement on small LECs in the manner required by the Regulatory Flexibility Act. For these reasons, the Commission should reconsider and eliminate the LEC verification requirement. Subsequent to the Rural ILECs' initial petition, the Commission issued an Order in which it "clarified" that the new LEC verification requirement only applied to customer calls requesting a change, which involves the LEC's affiliated long-distance provider.[4] While the Clarification Order narrows the application of the verification requirement and reduces the overall number of carrier change requests that are subject to the new verification requirement, it does not mitigate the Commission's fatally flawed decision to impose the verification requirement in the first place. Nor does the Clarification Order mitigate the verification requirement's disproportionately burdensome impact on small LECs. Moreover, limiting the application of the verification requirement to changes involving only LEC-affiliated long-distance operations actually increases the anti-competitive effect of the new requirement on small LECs' long-distance affiliates.

I. FAILURE TO PROVIDE NOTICE OF THE PROPOSED LEC VERIFICATION REQUIREMENT RENDERS IT UNENFORCEABLE

The Administrative Procedure Act ("APA") requires that notice and opportunity for comment

[4] *Implementation of Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Unauthorized Changes of Customers' Long Distance Carriers*, CC Docket No. 94-129, Order, FCC 03-116, rel. May 23, 2003, 68 Fed. Reg. 40184-40185 (July 7, 2003) ("Clarification Order"). The Clarification Order, unfortunately, is itself ambiguous. It requires verification of carrier changes that involve the LEC or an affiliate of the LEC." However, based on the petitions for reconsideration to which the Clarification Order refers, the Commission apparently meant to require verification only when a LEC customer seeks a change *to* the LEC's long distance affiliate. Following issuance of the Clarification Order, on May 30, 2003 the Rural ILECs filed a Supplement to Petition in which they re-stated their opposition to the verification requirement as modified by the Clarification Order.

precede enactment of a substantive FCC rule. In this instance, notice was not provided in accordance with the APA standard.[5] The FCC did not, in any prior Notice in this proceeding, propose to eliminate the exemption from verification of carrier change requests for customers' in-bound calls to LECs. The exemption, and the rationale for it were established in the Second Report and Order:

> **93.** We note that in situations in which a customer initiates or changes long distance service by contacting the LEC directly, verification of the customer's choice would not be verified by either the LEC, nor the chosen IXC. In this situation, neither the LEC nor the IXC is the submitting carrier as we have defined it. The LEC is not providing interexchange service to that subscriber. The IXC has not made any requests - - it has merely been chosen by the consumer. Furthermore, because the subscriber has personally requested the change from the executing carrier, the IXC is not requesting a change on the subscriber's behalf. If a LEC's actions in this situation resulted in the subscriber being assigned to a different interexchange carrier than the one originally chosen by the subscriber, however, then that LEC could be liable for violations of its duties as an executing carrier.[6]

Thus, the Second Report and Order found that because LECs receiving calls from their customers requesting carrier changes are not "submitting carriers," they were not required to verify said requests. The Third Order reverses the exemption, described above, without affording affected LECs or their customers prior notice or an opportunity to comment. LECs were informed, for the first time, that in-bound customer calls would no longer be exempt from the verification process upon release of the Third Order. At the end of that portion of the decision in which the Commission affirmed that it would hold LECs liable for carrier changes that were the result of their mistaken carrier changes (rather than hold IXCs liable for LECs' mistake)[7], the Commission stated:

> Due to the changes in the competitive landscape that have come to fruition since the adoption of the Second Report and Order, and based on our experiences herewith, we

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[5] See Rural ILEC Supplement to Petition for Reconsideration at pp.7-9.

[6] *Implementation of Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Unauthorized Changes of Customers' Long Distance Carriers*, CC Docket No. 94-129 ("Second Report and Order") 14 FCC Rcd 1508, 1565 (1998).

[7] "Sprint and WorldCom ask that the Commission reconsider its "apparent decision" to classify as an IXC slam any unauthorized carrier change that occurred as a result of a LEC mistakenly executing a carrier change and informing an IXC that it had gained a customer." Third Order at para 82.

> find it necessary, as with other in-bound carrier change calls, to require verification of carrier change requests that occur when a customer initiates a call to a LEC.[8]

LECs had been exempted from in-bound call verification on the basis that LECs receiving requests for carrier changes directly from their subscribers were not "submitting carriers" as defined by the Commission, and *for that reason* it exempted customer calls to LECs requesting carrier changes from the verification requirements.[9] The new LEC verification requirement did not modify the conclusion that LECs are not submitting carriers. Instead, the verification exemption was lifted in conjunction with the FCC's affirmation of its earlier decision that LECs were strictly liable for unauthorized carrier changes that were the result of their mistakes. There does not appear to be a rational connection between the submitting carrier definition, the Commission's belief that more LECs are affiliated with IXC, and the Third Order's imposition of a verification requirement for changes requested by customers. (The flawed logic and lack of factual basis for lifting the exemption is discussed below.)

Not surprisingly, given the questionable nexus between the reason for the exemption and the reason for eliminating it, the new LEC verification requirement took the LEC industry by surprise. This is supported by the fact that LECs actively participated in all phases of the proceeding, yet, none was aware that the Commission was considering requiring LECs to verify their customers' calls requesting a carrier change until the Third Order was released, as evidenced by the petitions for reconsideration by LECs seeking clarification, and/or reversal of the new LEC verification requirement. LECs also had no reason to suspect that the new in-bound call verification requirement was under consideration, because, as discussed below, no material changes have occurred since the Commission instituted that exemption to warrant its elimination.

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[8] Third Order at para 91.

[9] Third Order at para. 90, *citing* Second Report and Order, 14 FCC Rcd at 1565.

The FCC failed to provide the requisite notice of the new LEC verification requirement. Absent such notice, LECs could not have known that the Third Order would eliminate the verification exception for in-bound calls to LECs, a decision that imposes a significant regulatory burden on small LECs, as Petitioner has demonstrated.[10]

II. THE ORDER IS NOT JUSTIFIED BY THE RECORD

The Commission's decision to require LECs to verify customer calls requesting a change of long-distance carrier was not in response to a specific request[11] or to a rule change proposed by the Commission.[12] Yet, as the Rural ILECs and others[13] have pointed out, the Commission simply took note of observations made by Sprint and WorldCom in their petitions for reconsideration that "many LECs have become (or plan to become) long distance service providers."[14] On that basis alone, the Commission said it was necessary "to modify [its] decision to exclude from [its] verification rules those in-bound calls that are initiated by a customer directly contacting the LEC." [15]

A. Nothing Has Changed to Warrant Imposition of the LEC Verification Requirement

The Commission cites "changes in the competitive landscape that have come to fruition since the adoption of the Second Report and Order" as justification for the new LEC verification requirement.[16] However, the Commission cites no evidence to support its conclusion that circumstances have changed with regard to the provision of long-distance service by LEC affiliates since the Commission exempted customer calls to LECs from the verification process in its Second

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[10] See Supplement to Rural ILEC Petition, Attachment B, "Comments on Information Collection."
[11] See Sprint Corporation Petition for Reconsideration at 2.
[12] Third Order at para 91.
[13] See e.g., "Petition for Clarification or, in the Alternative, Reconsideration of the USTA (prior to issuance of the Clarification Order) at 5.
[14] Supplement to Petition at 7, (citations omitted).
[15] Third Order at para. 91.
[16] Id.

Report and Order.[17] Nor has the FCC proffered support for its conclusion that requiring verification of such requests would deter slamming. In fact, all references to slamming by LECs in the Third Order are speculative, not factual: "Sprint notes that the determinations of slamming by IXCs under these circumstances *can create incentives* for LECs to act in ways that contravene the goals of Section 258."[18] "We note that situations *may arise* in which a LEC that has a long-distance affiliate adds, without authorization, a customer to its long-distance affiliate's customer base." [19] Indeed, many LECs had long-distance affiliates in 1998, as the Commission was aware. This is evidenced by Second Report and Order, in which the Commission decided to prohibit executing carriers, typically LECs, from verifying submitting carrier requests also based on speculation that a LEC could seek to gain a competitive advantage for itself or for affiliated carriers.[20]

Nothing has changed with respect to the Commission's understanding of the LEC-long distance affiliate relationship since the Commission issued its Second Report and Order and the record contains no data as to whether any additional such affiliations since then result in a material change of circumstances. Thus, the Commission cannot justify its decision to impose the burdensome verification requirements on small LECs in particular, based on changed circumstances.

B. The FCC Offers No Evidence That LEC-Verification of Customer Requests Will Deter Slamming

The Commission stated that LEC-verification of customer in-bound calls was "necessary to deter slamming,"[21] despite a lack of evidence that LEC-long-distance affiliations have been a source of slamming.

As the Rural ILECs correctly point out, the Commission's own records of slamming complaints

[17] Second Report and Order at 1518

[18] Third Order at para. 86 (emphasis supplied).

[19] *Id.* at para. 88. (emphasis supplied).

[20] Second Report and Order at 1568.

demonstrate that there is no causal connection between customer in-bound carrier change requests to small LECs affiliated with long-distance operations and slamming.[22] Moreover, there does not appear to be *any* record of complaints of smaller LECs switching their local customers to their long-distance affiliates absent authorization.[23] Rural LECs similarly report that slamming complaints have not been filed against them. Despite these *facts,* the Commission continues to hold fast to the speculation that LECs with long-distance affiliates will engage in slamming. Based on the groundless supposition that LEC-affiliates are or will engage in slamming, the Commission justified imposing the burdensome, in-bound call verification requirement on LECs with long-distance affiliates.

C. The Commission's Decision is Internally Inconsistent and Illogical

Ironically, the LEC verification requirement undermines the value of the LEC-customer relationship, which is useful to deter slamming. The Commission has recognized the importance of the LEC customer-carrier relationship, particularly in the context of smaller LECs serving rural areas, in *combating slamming.*[24] The Commission's decision to require LECs to verify direct requests from customers to change carriers undermines that relationship.

LEC customers served by long-established, locally-owned LECs will not understand why their person-to-person request for a carrier change cannot be accommodated immediately, but instead, must be verified. As one Rural LEC explains,

> Our independent LEC and our affiliates are viewed as part of the community and have relationships with customers that are perceived as personal and more 'one-on-one' than those of larger communications companies. The verification rules will make us appear somewhat uncooperative and distant. Customers are accustomed to and expect instant gratification where carrier changes to our affiliate IXC are concerned; suddenly [under the new LEC verification requirement] we are unable to deliver on that anticipated convenience.

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[21] Third Order at para. 91.
[22] Rural ILEC Petition at p. 9.
[23] Rural ILEC Petition at p. 10.
[24] Second Report and Order at 1569-71.

In the Third Order, the Commission simultaneously affirmed its decision to prohibit executing carrier verification, thereby denying LECs the opportunity to communicate directly with their subscribers in order to verify a submitting carrier's request for a carrier change. The Commission's decision to (1) require LEC verification in order to prevent slamming, and (2) prohibit LECs from verifying carrier change requests on the basis of *potential* anticompetitive behavior is inconsistent, illogical and will not benefit LEC customers. LEC customers will not understand why their requests for carrier changes made directly to their LEC must be verified, while change requests made by carriers, allegedly on their behalf, may not be verified by the LEC.

Inasmuch as there are no new facts to warrant a change in the Commission's decision in 1998 to exclude LEC customers' in-bound calls from verification and there is no evidence supporting the Commission's premise for the LEC verification requirement, to wit, that LECs, particularly small LECs with IXC affiliates, engage in slamming, the Commission should reverse its decision to require in-bound call verification by LECs. At a minimum, the Commission should exempt small LECs from the in-bound call verification requirement.

III. LEC VERIFICATION WILL DELAY CARRIER CHANGES AND HAVE ANTI-COMPETITIVE CONSEQUENCES FOR SMALL LECs

The Commission's rationale for the new verification requirement is not only at odds with the Commission's own slamming records, but it is also inconsistent with the Commission's objectives in this proceeding. Specifically, the new requirement will delay LEC customers' carrier change requests with anti-competitive consequences for smaller LECs.[25]

The Commission has sought to avoid unnecessary delay in implementing carrier change requests. It decided to prohibit executing carriers from verifying such requests on the basis that such "re-

[25] See Rural ILEC Petition at pp. 7-8.

verification" would cause delay, and delay would have an anti-competitive effect in favor of LEC-affiliated IXCs. As the Commission reminds us in the Third Order, "[t]hose sections of the Act from which the slamming rules derive were enacted with the specific purpose of preventing anti-competitive practices that distort the marketplace and unjustly harm consumers." [26] Accordingly, the Commission affirmed its decision to prohibit executing carrier (LEC) "re-verification" to prevent delay and anti-competitive harms.[27] Yet in the same document the Commission required LECs to verify in-bound calls from their customers requesting a carrier change, which will certainly delay small LEC customers' requests to change their carrier, and cause anti-competitive harm to customers and small LECs.

Delay is unavoidable due to the fact that smaller LECs typically rely on the written Letter of Agency ("LOA") verification, which is the most cost-effective method of verification for small, rural LECs with low volume users, and less costly than the independent verification mechanisms that larger carriers utilize, but is also more time-consuming and more burdensome to customers. Unlike the independent third party verification method utilized by larger carriers, the written LOA method used by Rural LECs is not instantaneous. As Petitioner has demonstrated, delay is likely to dissuade LEC customers from changing to the LECs' affiliate IXC. Rural LECs are extremely concerned that this disparity in the time to implement a carrier change will discourage their customers from switching to their long-distance affiliate. Such a result would unfairly favor non-affiliated long-distance providers, and larger LECs' affiliated long-distance providers.

One Rural LEC described the anti-competitive effect of the new requirement as follows:

> Our affiliated IXC is at a competitive disadvantage [under the new LEC verification requirement] because we are forced to require customers to complete a written form or verify their request by answering a series of questions from a third party prior to changing their carrier. It will, in fact, make it difficult and cumbersome for our customers to choose our affiliate IXC and therefore could drive customers to select a

[26] Third Report at para. 18 (citations omitted).
[27] Third Order at p. 17-20.

different carrier simply because it's less work to do so.

Inasmuch as the LEC verification requirement will have an anti-competitive impact on small LECs, the LEC verification requirement should be overturned.

IV. THE LEC VERIFICATION REQUIREMENT DISPROPORTIONATELY BURDENS SMALL, RURAL LECS

A. Evidence of the Burdensome Impact Has Been Presented

As Petitioner has adequately demonstrated in its analysis of the regulatory burdens of the verification requirement, the cost of the new requirement is disproportionately higher for smaller LECs than for larger LECs, such as the Bell Operating Companies ("BOCs").[28] On that basis, Petitioner correctly argues, the Commission did not fulfill its obligation with respect to assessing the paperwork burdens that will result from the new verification requirement.[29]

Larger carriers have a larger volume of carrier change requests and ample resources to absorb the costs of verification. Typically, larger carriers, such as BOCs, have third party verification mechanisms in place that can accommodate the new, in-bound call verification requirement immediately. By contrast, as previously noted, small LECs, including Rural LECs with much lower volumes of changes, rely on the costly and time consuming written LOA method of verifying carrier change requests.

As one typical Rural LEC explains, it averages 40 requests per month for a change to its long-distance affiliate per month. Under the new verification requirement, a sole Customer Services Representative will have to send a written LOA to each customer, enclose a self-addressed stamped envelope, and hope that the customer returns the LOA.

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[28] *See* Supplement to Petition for Reconsideration, Attachment B, "Comments on Information Collection," at pp. 12-15.
[29] *Id.* at p. 16.

Rural LECs concur that the written LOA method is more cumbersome and costly to small LECs. One Rural LEC estimates the cost of verification of changes to its affiliate IXC to be $202,000 annually. The costs include printing, postage, and Customer Service Representative training and time. In addition, the LEC's IXC operation will experience a loss of approximately one week's worth of long-distance revenue, due to the delay in processing the customer's carrier change requests.

Also, because small LECs' IXC operations resell long-distance service of other carriers, they often have a higher cost structure and operate at lower margins on long-distance plans than larger IXCs. The higher cost of verification will therefore have a greater impact on these smaller LECs.

On the basis of evidence that the requirement will unduly burden smaller LECs, and not serve the interests of LEC customers, the Commission should reverse its decision to require LECs to verify customer calls requesting a change of long-distance carrier. Alternatively, at a minimum, small LECs should be exempt from the LEC verification requirement.

B. The Regulatory Flexibility Act Analysis Was Inadequate

The Third Order dutifully refers to the new LEC verification requirement for in-bound calls in the statutorily mandated, Regulatory Flexibility Act ("RFA")[30] portion of the decision. However, it fails to carry out the analysis required by the RFA.

The RFA provides that a notice of proposed rulemaking "shall describe the impact of the proposed rule on small entities," in its "initial" regulatory flexibility analysis.[31] The RFA also requires agencies to consider alternatives that would minimize the impact on small entities.[32] In the Third Order, the FCC included a Supplemental RFA ("SRFA") to address matters raised on reconsideration. However, the SRFA did not weigh the increased burdens resulting from the new LEC verification

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[30] 5 U.S.C. Sec. 603.
[31] 5 U.S.C. Sec. 603(a).
[32] 5 U.S.C. Sec. 603 (c).

requirement. Instead, the SRFA simply summarized the FCC's decision to hold LECs liable for their mistaken carrier changes.[33] In the SRFA "analysis," the Commission weighed the less drastic alternative, i.e., holding the *customer* liable for the LEC's mistake, dispensed with that alternative, and reached the following conclusion:

> Because LECs will be held responsible for their own mistakes, *LECs must also follow our verification rules when contacted directly by a subscriber that requests a carrier change*, such that a record of the carrier change request is created and maintained.[34]

That conclusion fails to address the regulatory burdens that the additional LEC verification requirement will impose on *small entities*. It also fails to consider whether to exempt small entities from the LEC verification requirement. An exemption for small entities is among the alternatives specified in the RFA that would accomplish the objectives of a proposed rule and minimize its economic impact on small entities.[35] In sum, the FCC's RFA analysis of the impact of the LEC verification requirement falls short of the statutory requirement. Based on this deficiency, the LEC verification requirement should be reversed.

Additionally, the justification for the LEC verification requirement contained in the RFA is flawed because it too is based solely on the anecdotal comments of IXC competitors, Sprint and WorldCom. The carriers' comments were made in the context of the IXCs' efforts to persuade the Commission to hold LECs liable for unauthorized carrier changes that are the result of LEC mistakes, not to persuade the Commission to reverse its prior decision to exempt LECs from the definition of a submitting carrier. The FCC's rationale in the RFA is also flawed because one does not need to require

[33] Third Order at Appendix B, para. 24.
[34] *Id.* (emphasis supplied).
[35] 5 U.S.C. Sec. 603 (c)(4); While the SFRA, in a boilerplate statement of the steps taken to minimize the impact of the Third Order on small entities, acknowledges that an exemption from coverage of a rule for small entities is among the considerations *required by the RFA*, that portion of the SFRA addressing the new verification requirement does not actually consider an exemption for small LECs. *See* Third Order at Appendix B, paras. 21 and 24.

LECs to verify in-bound customer calls requesting carrier changes in order to hold LECs liable for mistaken carrier changes, which the Commission merely affirmed. Furthermore, the RFA justification for the LEC verification requirement, which appears to be record keeping, is inconsistent with the justification contained in the text of the Third Order, which is to prevent LECs with long-distance affiliates from slamming their customers.[36]

On the basis of its failure to consider the disproportionately burdensome impact of the LEC verification requirement, and on the basis of the RFA mandate, the Commission should reverse or rescind the requirement that LECs verify in-bound customer calls requesting carrier changes.

[36] While record keeping could be in a LEC's interest as well as its customer's interest, *requiring LECs to verify* a customer's request to change his or her long-distance carrier *prior to* effecting that change is a different and far more burdensome requirement, with anti-competitive consequences for small, rural LECs.

V. CONCLUSION

For the reasons stated herein, the Rural LECs urge the Commission to grant Petitioner's request and eliminate the hastily enacted requirement that LECs verify customer calls requesting a carrier change. It is an unnecessary requirement that will unduly and unfairly burden small, rural LECs, which have no history of slamming their customers. As such, the requirement will not further the Commission's goal of combating slamming.

Respectfully submitted,

RURAL LOCAL EXCHANGE CARRIERS

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CERTIFICATE OF SERVICE

I, Elizabeth Mugo, of Kraskin, Lesse & Cosson, LLC, 2120 L Street, NW, Suite 520, Washington, DC 20037, do hereby certify that a copy of the foregoing "Comments of the Rural Local Exchange Carriers " was served on this 29th day of July 2003, by first class, U.S. mail, postage prepaid or by hand delivery to the following parties:

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